

- All capital assets are recorded on AM
- Update CWIP
 - Account 1811 needs to be zero at FYE
 - Analyze related expenditures
 - Generate ONL Journal
- 63XXX/64XXX net to zero

FYE Asset Management (AM) Reminders

- ITSD Project Log
- Internally created
- Reconcile capital assets between GL and AM –
Query:

MTAM_GOV_STATE_BKERR
ORS

Recording Assets
for FYE

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Asset ID	Category	Profile ID	Book Name
000010000524	GEQUP	G65	STATE
000010000538	GEQUP	G40	STATE
000010000528	GEQUP	G65	STATE

Fund	In Service Date	Asset Status
06509	09/21/2005	Surplus Pending
06509	09/21/2005	In Service
06509	09/21/2005	In Service

Asset ID	Description	Asset Type	Asset Subtype	Tag Number	Serial ID	Status
000010000524	POWEREDGE 2650 SERVER	Equipment		6641	C4SH351	Surplus Pending
000010000555	POWEREDGE 2650 SERVER	Equipment		6640	94SH351	Surplus Pending
10000352	RICOH COPIER	Equipment		2952	A30430405	Surplus Pending



CWIP FYE
Entries

AM Entry for CWIP

Asset Management (AM) will create entries for Construction Work in Progress(CWIP) that will include account 1811, Fixed Asset Clearing Account

To record the addition of or increase to CWIP – entry made by AM in Actuals or Entitywide ledger

Debit	1706	Construction work in progress
Credit	1811	Capital asset clearing

Analyze Entries Related to CWIP

- What expenses were included in the CWIP calculations? (i.e. labor, materials, etc.)
- Use an ONL journal to debit 1811 and credit the non-budgeted capitalization accounts in the same ledger that the AM entry was made.

Adjusting Entry

A General ledger entry reversing the 1811 entry created by asset management would be made in the same ledger as the AM entry using the ONL source. Available non budgeted expense accounts are found in Policy 335, Section XII.C.5.

GL reversing entry when 63XXX or 64XXX accounts were used – same ledger as AM entry

Debit	1811	Capital Asset Clearing
Credit	64XXX or 63XXX	NB Expense account

Non 63XXX or 64XXX Expenditures

- An additional journal must be made in these cases.
- Example: Software generally uses a 61XXX expense account
- List of non-budgeted account for these entries is available in Policy 335, section XI.C. Recording capital asset related expenses.

Non 63XXX & 64XXX Expenditures (Cont.)

The additional entry required for non 63XXX /64XXX expenditure accounts might look like this if the expense was for supplies and materials.

Use the Actuals ledger for the additional entry		
Debit	63/64XXX	NB Expense Account
Credit	622A6	Capitalizable supplies and materials - NB



63XXX/64XXX
Accounts
Net to Zero

Example

63XXX/64XXX Netting to Zero

The Department of Transportation purchases a new piece of equipment for \$25,000 in a governmental fund.

Actuals Ledger		+ Entitywide Ledger	
Debit	63/64	Asset Outlay	\$25,000
Credit	1104	Cash	\$25,000
Debit	17XX	Asset	\$25,000
Credit	63/64	Asset Offset—NB	\$25,000

Strikethrough indicates offset

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Donated & Transferred Capital Assets

Donations From External Parties

- Assets donated by discretely presented component units
- Assets donated by outside parties

External Donations Example

- A non-governmental equipment rental company has a backhoe they want to donate to the government.
- Vehicle information as of July 1, 2013:
 - The original cost of the backhoe at acquisition was \$34,000 on January 1, 2009
 - Salvage value is \$3,400
 - Accumulated depreciation is \$19,307
 - Book value is \$14,693
 - Fair value is \$13,500

Receiving Government

General Information		Operation/Maintenance	Asset Acquisition Detail
Unit:	61010	Asset ID:	NEXT
Asset Information			
Description:	Backhoe		
CAP #:	<input type="text"/>		
	<input type="checkbox"/> Taggable Asset		
Asset Class:	18002		
Asset Type:	Equipment		
Asset Subtype:	<input type="text"/>		
*Asset Status:	In Service		
Acquisition Date:	07/01/2013		
Placement Date:	07/01/2013		
Collateral Asset:	<input type="text"/>		
*Acquisition Code:	Donated		
FERC Code:	<input type="text"/>		

Receiving Government

Actuals ledger or entitywide ledger depending on the fund type.

Entry generated by Asset Management to add asset:

Debit	1704	Equipment	\$ 13,500
Credit	63198	NB full accrual equipment offset	\$13,500

Make the reversing entry in the same ledger as AM entry.

Reversing entry:

Debit	63198	NB full accrual equipment offset	\$13,500
Credit	549003	Capital Contrib. Non State	\$13,500

Capital Asset Transfers

- When capital assets are moved from one fund to another, the recipient fund continues to report asset at its historical cost as of original acquisition date.
- Historical cost includes:
 - Charges to place asset in intended location and condition (i.e. freight, installation, etc.)
 - Interest on debt incurred during construction of a project
 - Additionally, any additions or improvements are included – added as a separate asset on AM and linked to the original asset.

Capital Asset Transfer Example

- An agency has a backhoe that it wants to donate to another agency.
- Both agencies are part of the primary government.
- The backhoe information as of July 1, 2013:
 - The original cost of the vehicle at acquisition was \$34,000 on January 1, 2009
 - Salvage value is \$3,400
 - Accumulated depreciation is \$19,307
 - Book value is \$14,693
 - Fair value is \$13,500

Transferor Agency

Actuals ledger or entitywide ledger depending on the fund type:

Entry generated by Asset Management to retire asset:

Debit	1709	Accumulated Depreciation - Equipment	\$19,307
Debit	62808	NB loss on sale expense	\$ \$14,693
Credit	1704	Equipment	\$34,000

General Ledger entry: Reversal of generated loss

Debit	628A3	NB fixed asset capital contribution	\$14,693
Credit	62808	NB loss on sale expense	\$14,693

Receiving Agency

Actuals ledger or entitywide ledger depending on the fund type:

Entry generated by Asset Management to add asset:

Debit	1704	Equipment	\$34,000
Credit	63198	NB full accrual equipment offset	\$34,000

Entry generated by Asset Management for depreciation at month end:

Debit	62805	NB depreciation	\$19,671
Credit	1709	Accumulated Depreciation – Equipment	\$19,671

Receiving Agency (Cont.)

Use the same ledger as previous entry:

General Ledger journal adjustment:

Debit	63198	NB full accrual equipment offset	\$34,000
Credit	62805	NB depreciation	\$19,307
Credit	549001	Capital Contributions	\$14,693

Receiving Agency (Cont.)

An IU journal entry between funds of the same type
(Governmental to Governmental or Proprietary to Proprietary):

Agency	General Ledger journal adjustment:			
T	Debit	628A3	NB fixed cap asset cont.	\$14,493
T	Credit	62808	NB loss on sale	\$14,493
R	Debit	63198	NB full accrual equipment offset	\$34,000
R	Credit	62805	NB depreciation	\$19,307
R	Credit	549001	Capital Contributions	\$14,693

(T) Transferring agency
(R) Receiving agency